

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

AUTHORS GUILD, DAVID BALDACCI,  
MARY BLY, MICHAEL CONNELLY,  
SYLVIA DAY, JONATHAN FRANZEN,  
JOHN GRISHAM, ELIN HILDERBRAND,  
CHRISTINA BAKER KLINE, MAYA  
SHANBHAG LANG, VICTOR LAVALLE,  
GEORGE R.R. MARTIN, JODI PICOULT,  
DOUGLAS PRESTON, ROXANA  
ROBINSON, GEORGE SAUNDERS, SCOTT  
TUROW, and RACHEL VAIL, individually and  
on behalf of others similarly situated,

Plaintiffs,

v.

OPENAI INC., OPENAI OPCO LLC, OPENAI  
GP LLC, OPENAI LLC, OPENAI GLOBAL  
LLC, OAI CORPORATION LLC, OPENAI  
HOLDINGS LLC, OPENAI STARTUP FUND  
I LP, OPENAI STARTUP FUND GP I  
LLC, OPENAI STARTUP FUND  
MANAGEMENT LLC, and MICROSOFT  
CORPORATION,

Defendants.

JONATHAN ALTER, KAI BIRD, TAYLOR  
BRANCH, RICH COHEN, EUGENE LINDEN,  
DANIEL OKRENT, JULIAN SANCTON,  
HAMPTON SIDES, STACY SCHIFF, JAMES  
SHAPIRO, JIA TOLENTINO, and SIMON  
WINCHESTER, on behalf of themselves and all  
others similarly situated,

Plaintiffs,

v.

OPENAI, INC., OPENAI GP, LLC, OPENAI,  
LLC, OPENAI OPCO LLC, OPENAI GLOBAL  
LLC, OAI CORPORATION, LLC, OPENAI  
HOLDINGS, LLC, and MICROSOFT  
CORPORATION,

Defendants.

Case No. 1:23-cv-08292-SHS;  
Case No. 1:23-cv-10211-SHS;  
Case No. 1:24-cv-00084-SHS.

**STIPULATION AND [PROPOSED]  
ORDER STRIKING CLASS  
ALLEGATIONS IN THE  
*BASBANES* COMPLAINT AND  
SETTING FORTH A CASE  
SCHEDULE**

NICHOLAS A. BASBANES and NICHOLAS  
NGAGOYEANES (professionally known as  
Nicholas Gage), individually and on behalf of all  
others similarly situated,

Plaintiffs,

v.

MICROSOFT CORPORATION, OPENAI,  
INC., OPENAI GP, L.L.C., OPENAI  
HOLDINGS, LLC, OAI CORPORATION,  
LLC, OPENAI GLOBAL, LLC, OPENAI,  
L.L.C., and OPENAI OPCO, LLC,

Defendants.

**STIPULATION AND [PROPOSED] ORDER REGARDING BASBANES LITIGATION**

This stipulation is made by and among Interim Co-Lead Class Counsel for the Author Classes on behalf of the Author Plaintiffs<sup>1</sup>; Counsel for Nicholas A. Basbanes and Nicholas Ngagoyeanes (professionally known as Nicholas Gage) (collectively, “*Basbanes* Plaintiffs”, and together with Author Plaintiffs, “Plaintiffs”); and Counsel for OpenAI, Inc., OpenAI OPCO LLC, OpenAI GP LLC, OpenAI LLC, OpenAI Global LLC, OAI Corporation LLC, OpenAI Holdings LLC, OpenAI Startup Fund I LP, OpenAI Startup Fund GP I LLC, OpenAI Startup Fund Management LLC (collectively “OpenAI”) and Microsoft Corporation (collectively “Defendants” and, together with the Plaintiffs, the “Parties”).

**WHEREAS**, on September 19, 2023 and November 21, 2023 the Author Plaintiffs filed their respective initial fiction and non-fiction Class Action Complaints; and the Author Plaintiffs then together filed their First Consolidated Class Action Complaint on February 5, 2024 against Defendants (Dkt. No. 69<sup>2</sup>);

**WHEREAS**, on January 5, 2024, the *Basbanes* Plaintiffs filed a Class Action Complaint, No. 1:24-cv-00084-SHS, against Defendants (*Basbanes* Dkt. No. 1);

**WHEREAS**, on February 6, 2024, this Court appointed the law firms Lieff, Cabraser, Heimann & Bernstein LLP, Susman Godfrey LLP, and Cowan DeBaets Abrahams & Sheppard

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<sup>1</sup> Author Plaintiffs are Jonathan Alter, Authors Guild, David Baldacci, Mary Bly, Kai Bird, Taylor Branch, Rich Cohen, Michael Connelly, Sylvia Day, Jonathan Franzen, John Grisham, Elin Hilderbrand, Christina Baker Kline, Maya Shanbhag Lang (pending her dismissal), Victor Lavalle, Eugene Linden, George R.R. Martin, Daniel Okrent, Jodi Picoult, Douglas Preston, Roxana Robinson, Julian Sancton, George Saunders, Hampton Sides, Stacy Schiff, James Shapiro, Jia Tolentino, Scott Turow, Rachel Vail, and Simon Winchester.

<sup>2</sup> References to “Dkt.” refer to the *Authors Guild et al. v. OpenAI et al.* matter, No. 1:23-cv-08292-SHS, unless otherwise indicated to refer to the *Basbanes* matter.

LLP as Interim Co-Lead Class Counsel of the Author Classes, and consolidated for pretrial purposes the *Basbanes* action with the Author action (Dkt. No. 70; *Basbanes* Dkt. No. 32);

**WHEREAS**, Counsel for *Basbanes* has informed Interim Co-Lead Class Counsel and Counsel for Defendants that he intends to proceed on an individual basis for the claims of Messrs. Basbanes and Gage; and

**WHEREAS**, on September 13, 2024, the Court directed the parties to “file a joint stipulation, if possible, by **September 27, 2024**, regarding the potential dismissal of certain claims” in the above-referenced matter, stayed this case until September 27, 2024, and, in the same order (Dkt. No. 202), granted an extension of time for fact discovery until December 20, 2024;

**NOW, THEREFORE**, in the interests of effectuating the Court’s prior rulings, and adding further clarity and efficiency into the schedule, it is here by Stipulated and Ordered as follows:

1. The Rule 23 allegations in the *Basbanes* Complaint, *Basbanes* Dkt. No. 1, namely, Paragraphs 120-132 and Paragraphs 149 (a)-(c), are hereby dismissed;
2. Within two weeks of a ruling on class certification in the consolidated class action litigation brought by the Author Plaintiffs, counsel for the *Basbanes* Plaintiffs and counsel for Defendants will confer regarding future proceedings, if any, for the *Basbanes* litigation and submit a joint statement to the Court within one week of the aforementioned conferral; and
3. The *Basbanes* case is stayed pending issuance of a Court order following the joint submission referenced in Paragraph 2 above.

Dated: September 26, 2024 SO STIPULATED AND AGREED,

/s/ Rachel Geman

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*Attorneys for Microsoft Corporation*

Date: \_\_\_\_\_

**SO ORDERED:**

\_\_\_\_\_  
Judge Ona T. Wang

**PROOF OF SERVICE VIA ECF**

On September 26, 2024, I caused to be served the following document on all counsel of record via ECF.

**STIPULATION AND [PROPOSED] ORDER STRIKING CLASS ALLEGATIONS IN  
THE *BASBANES* COMPLAINT AND SETTING FORTH A CASE SCHEDULE**

/s/ Rachel Geman  
Rachel Geman